



## Memorandum

Date: April 30, 1997  
To: Distribution List  
From: Rick Soehren *RS*  
CALFED Bay-Delta Program  
Subject: CALFED Water Transfers Program

Your participation is requested on an interagency CALFED ad hoc committee examining water transfer issues, particularly those that might be addressed by CALFED agencies using existing authority. The first meeting of this ad hoc committee is set for Thursday May 15, 1997 from 9:30 am to 12:00 noon in Room 1412 of the Resources Building, 1416 9th Street in Sacramento. Please respond to Debbie Myrum at the CALFED office regarding your ability to attend this meeting. If you believe additional staff from your agency should attend, please invite them. There will also be ample opportunity for additional CALFED review of any conclusions or draft products from this committee. Some background on this ad hoc committee is provided below.

### BACKGROUND

The CALFED Bay-Delta Program mission is to develop a long-term comprehensive plan that will restore ecological health and improve water management for beneficial uses of the Bay-Delta system. Water transfers may play an important role in achieving CALFED objectives related to ecosystem restoration and improved water supply reliability. A CALFED water transfers program will likely have several elements: physical changes in the Delta which may reduce conveyance constraints and facilitate transfers across the Delta, institutional and policy changes that facilitate transfers, and assurances related to transfers, including efficient water use and avoidance or mitigation of third party impacts.

At the foundation of CALFED's approach to water transfers will be the five points articulated by Governor Wilson in his water policy statement in 1992. These points outline a policy which will:

1. Require water transfers to be voluntary, protect the water rights of sellers, and result in transfers of real, not paper, water.

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#### CALFED Agencies

##### California

The Resources Agency  
Department of Fish and Game  
Department of Water Resources  
California Environmental Protection Agency  
State Water Resources Control Board

##### Federal

Environmental Protection Agency  
Department of the Interior  
Fish and Wildlife Service  
Bureau of Reclamation  
Department of Commerce  
National Marine Fisheries Service

2. Acknowledge, and avoid or mitigate, potential impacts to local environmental resources or habitats.
3. Acknowledge, and avoid or mitigate, potential overdraft or degradation impacts to groundwater basins.
4. Include requirements that entities receiving transferred water show efficient use of existing water supplies.
5. Involve communities whose economies may be affected, as well as water districts and agencies holding water rights or contracts, in determining the appropriateness of specific transfers.

Several different forums will examine transfers issues within the CALFED process. Alternative configurations of storage and Delta conveyance are being modeled by CALFED Bay-Delta Program staff, consultants, and agency staff. At least two forums may examine institutional and policy changes. First, it may be useful for an ad-hoc committee of CALFED agency staff to examine agency policies. Then, one or more stakeholder forums to discuss transfers will be needed. The groups that examine institutional and policy changes may also examine assurance needs. In addition, the BDAC Assurances Work Group may be involved in this activity.

Institutional and policy changes can be divided into changes that CALFED agencies can make with existing authorities, and changes that may require legislation or additional authority. The ad hoc committee will focus on the former--changes that CALFED agencies may be able to identify and implement to facilitate a transfers market.

Formation of this staff committee was prompted by differences in perspective that were revealed at a meeting of the CALFED Program Coordination Team (PCT). Representatives of several agencies believe that many impediments to transfers have already been addressed through policies of the CALFED agencies, while CALFED consultants who work with stakeholders expressed the belief that impediments, or the perception of impediments, remain.

The topics listed below meet two criteria: they have been identified as issues where there may be a difference in perception between CALFED agencies and stakeholders, and to the extent there are issues surrounding these topics the issues may be at least partially resolved through the existing authorities of CALFED agencies. As you review this list of issues, please consider the following questions:

- ◆ Is this an accurate list of such issues? Are there issues that should be added? Are there topics that clearly should be removed from the list because there is no real or perceived issue surrounding the topic?

- ◆ For each topic, is the issue one of perception, or are there legitimate differences in policy viewpoints related to a topic? In either case, how can differences be reconciled?

A CALFED consultant, Mike Heaton, will attend the meeting to help us understand stakeholder perceptions and concerns.

#### Potential Topics

1. **Water Right Assurances** Existing law provides assurance that water rights are protected even if the water is transferred, yet concerns remain over water right holder ability to retain control of water, particularly after transfers that may extend over many years.
2. **Definition of Transferable Water, Conserved Water** Are agency definitions and rules regarding transferable water and conserved water consistent in content and consistently applied?
3. **Regulatory Processing/Streamlining** Are transfer requests unreasonably delayed by agencies, or are transfer requests sometimes accompanied by inadequate documentation which delays processing?
4. **Sec. 1707 Transfers** Do CALFED agencies have an adequate method of tracking instream transfers for fishery purposes, which may be more common under a CALFED ecosystem restoration program?

There are additional water transfer issues that will probably be discussed in public CALFED forums. It may be appropriate for the ad hoc transfers committee to begin work on these issues before moving them to public forums. These issues include:

- ◆ **Physical Capacity of Facilities** What assumptions should be made in the CALFED storage/conveyance component about ensuring capacity for transfer water?
- ◆ **Carriage Water Requirements and/or Applicability of the Inflow/Export Ratios to Cross-Delta Transfers** What portion of the water transferred across the Delta must go to outflow?
- ◆ **Reservoir Refill Criteria** What are the rules for replacement of water released from storage for transfers?
- ◆ **Third Party Impacts** What rules should be applied to protect local environmental and water supply conditions and economies?

- ◆ **Groundwater Transfers or Groundwater Replacement** What are appropriate policies and safeguards related to transfers involving groundwater?
- ◆ **Local Control or Approval of Transfers** To what extent should local water users, districts, and governments play a role in transfer approval?

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